

Message Text

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ACTION EB-08

INFO OCT-01 EA-09 ISO-00 STR-04 SP-02 USIA-15 AID-05

NSC-05 TRSE-00 SS-15 OMB-01 CEA-01 L-03 H-02

ITC-01 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

XMB-04 OPIC-06 LAB-04 SIL-01 /095 W

-----140517Z 064537 /17

P R 140448Z APR 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC PRIORITY 0197

INFO AMCONSUL SYDNEY

UNCLAS CANBERRA 2543

E.O. 11652: N/A

TAGS: ETRD, AS

SUBJECT: POSSIBLE RESTRICTIONS ON WHISKEY IMPORTS

REF: (A) STATE 079801, (B) CANBERRA 1660, (C) CANBERRA 1636,
(D) STATE 048870, (E) CANBERRA 1327

1. EMBASSY HAS BEEN MONITORING STATUS OF TEMPORARY ASSISTANCE
AUTHORITY (TAA) REPORT SINCE CONCLUSION OF HEARINGS DESCRIBED
REFTEL C. EMBASSY BELIEVES THAT INFORMATION CONVEYED TO
DEPARTMENT BY DISTILLED SPIRITS COUNCIL OF THE U.S. (DISCUS)
REPRESENTS PETITIONERS' MARCH 8 PROPOSAL TO TAA, REPORTED BY
EMBASSY IN PARA 6 OF REFTEL C, BUT NOW APPARENTLY BEING
CONVEYED BY A MEMBER COMPANY TO DISCUS AS A NEW DEVELOPMENT.
REQUEST DEPARTMENT DETERMINE FROM DISCUS ON URGENT BASIS
SOURCE OF ITS INFORMATION (I.E. U.S. COMPANY AND ITS ULTIMATE
SOURCE) AND DATE OF INFORMATION.

2. INFORMATION REFTEL A THAT TAA PLANS TO LEVY A SURCHARGE
IS WITHOUT QUESTION INACCURATE, IN FORM IN WHICH IT IS
STATED IN REFTEL A. TAA CANNOT REPEAT NOT IMPOSE A LVEY ON
IMPORTS. ITS FUNCTION IS TO HOLD HEARINGS AND SUBMIT A
REPORT, WITH RECOMMENDATIONS, TO THE DEPARTMENT FOR BUSINESS
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AND CONSUMER AFFAIRS. MINISTER FOR BUSINESS AND CONSUMER
AFFAIRS THEN PRESENTS REPORT TO CABINET WITH HIS RECOMMENDA-
TIONS.

3. TAA REPORT HAD NOT BEEN COMPLETED AND TRANSMITTED TO
DEPARTMENT OF BUSINESS AND CONSUMER AFFAIRS AS OF BEGINNING
OF EASTER WEEK, THOUGH IT WAS NEARLY READY. IT HAS NOW BEEN

TRANSMITTED, BUT DEPARTMENTAL REVIEW AND TRANSMITTAL TO CABINET FOR DECISION IS EXPECTED TO REQUIRE AT LEAST TWO WEEKS. ALL TAA REPORTS ARE HELD EXTREMELY CLOSELY UNTIL CABINET DECISION TAKEN, AND EMBASSY IS UNABLE TO DETERMINE WHAT RECOMMENDATIONS TAA HAS MADE. HOWEVER, EMBASSY GREATLY DOUBTS, PARTICULARLY IN VIEW OF TIMING, THAT INDUSTRY ASSERTION REPORTED REFTEL A IS BASED ON INSIDE KNOWLEDGE OF CONTENTS OF TAA REPORT.

4. EMBASSY IS CONSIDERABLY DISTRESSED THAT ITS MESSAGE TO U.S. INDUSTRY WITH RESPECT TO AUSTRALIAN TEMPORARY ASSISTANCE PROCEEDINGS (REFTELS B AND C), APPEARS TO HAVE FALLEN ON DEAF EARS. IT GOES WITHOUT SAYING THAT IN ANY TARIFF CASE THE EXPORTING COUNTRY IS OPPOSED TO INCREASED PROTECTION AGAINST ITS PRODUCTS, AND TAA HEARINGS DO NOT PROVIDE A FORUM FOR EXPRESSING THIS TYPE OF EXPORTING COUNTRY OPPOSITION. IN FACT, BECAUSE TAA TESTIMONY IS MADE UNDER OATH, QUESTIONS RELATING TO DIPLOMATIC IMMUNITY MAKE IT STANDARD PRACTICE FOR DIPLOMATS NOT TO TESTIFY, AND ANY EFFORT BY A DIPLOMAT TO MAKE A CASE TO A HEARING EXAMINER OUTSIDE OF ESTABLISHED PROCEDURES WOULD BE PREJUDICIAL TO OUTCOME.

5. HEARINGS ARE, ACCORDINGLY, VENUE IN WHICH IMPORTERS HAVE SOLE OPPORTUNITY AND RESPONSIBILITY FOR MAKING A CASE THAT, WITHIN TERMS OF REFERENCE GIVEN TO TAA BY MINISTER, TEMPORARY PROTECTION IS NOT JUSTIFIED. EMBASSY AWARENESS THAT USE OF PRIOR BASE YEAR WOULD "SEVERELY PENALIZE U.S. INDUSTRY FOR YEARS OF EFFORT TO INCREASE ITS MARKET," IS PRECISELY THE UNCLASSIFIED

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REASON WHY EMBASSY MADE SUCH URGENT EFFORTS, AS REFLECTED BY REFTELS B AND C, TO HAVE TESTIMONY OF U.S. INDUSTRY PLACED IN EVIDENCE.

6. EMBASSY UNDERSTANDS THAT DISCUS PROVIDED COPIES OF REFTEL C TO ITS MEMBERS. DESPITE THIS, EMBASSY'S UNDERSTANDING IS THAT U.S. INDUSTRY, EITHER COLLECTIVELY OR INDIVIDUALLY, MADE DECISION NOT TO SUBMIT TESTIMONY AND TO LOOK TO U.S. GOVERNMENT TO SECURE FAVORABLE TAA RECOMMENDATION THROUGH DIPLOMATIC REPRESENTATIONS.

7. PERHAPS FORTUNATELY, U.S. WHISKEY INDUSTRY IS A MINOR PLAYER IN THIS DRAMA, AND THOSE ASSOCIATED WITH SCOTCH IMPORTING WERE HIGHLY EFFECTIVE IN THEIR TESTIMONY. IT IS EMBASSY'S JUDGMENT THAT CASE FOR TEMPORARY PROTECTION WAS SO WEAK, AND SPECIFICS OF UNITED DISTILLERY/GILBEY'S REQUEST SO IMPROBABLE (SEE PARAS 6 AND 7 OF REFTEL C), THAT GRANT OF TEMPORARY PROTECTION IS UNLIKELY. PERCIVAL

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Control Number: n/a
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Sent Date: 14-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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From: CANBERRA
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